

## SENATE BILL No. 149

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 36-9-41.

**Synopsis:** Borrowing for local public works. Allows a political subdivision to borrow money to finance a public work project costing not more than \$2,000,000 by issuing a note to a financial institution.

**Effective:** July 1, 2004.

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**Kenley**

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January 6, 2004, read first time and referred to Committee on Governmental Affairs and Interstate Cooperation.

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Introduced

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

## SENATE BILL No. 149

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 36-9-41 IS ADDED TO THE INDIANA CODE AS  
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2004]:

4 **Chapter 41. Financing of Public Work Projects by Political**  
5 **Subdivisions**

6 **Sec. 1. This chapter applies to a public work project that will**  
7 **cost the political subdivision not more than two million dollars**  
8 **(\$2,000,000).**

9 **Sec. 2. As used in this chapter, "public work" means a project**  
10 **for the construction of any public building, highway, street, alley,**  
11 **bridge, sewer, drain, or any other public facility that is paid for out**  
12 **of public funds.**

13 **Sec. 3. Notwithstanding any other statute, a political subdivision**  
14 **may borrow the money necessary to finance a public work project**  
15 **from a financial institution in Indiana by executing a negotiable**  
16 **note under section 4 of this chapter. The political subdivision shall**  
17 **provide notice of its determination to issue the note under IC 5-3-1.**

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1       **Sec. 4. A political subdivision borrowing money under section**  
 2       **3 of this chapter shall execute and deliver to the financial**  
 3       **institution the negotiable note of the political subdivision for the**  
 4       **sum borrowed. The note must bear interest, with both principal**  
 5       **and interest payable in equal or approximately equal installments**  
 6       **on January 1 and July 1 each year over a period not exceeding six**  
 7       **(6) years.**

8       **Sec. 5. (a) The first installment of principal and interest on a**  
 9       **note executed under this chapter is due on the next January 1 or**  
 10       **July 1 following the first tax collection for which it is possible for**  
 11       **the political subdivision to levy a tax under subsection (b).**

12       **(b) The political subdivision shall appropriate an amount for**  
 13       **and levy a tax each year sufficient to pay the political subdivision's**  
 14       **obligation under the note according to its terms.**

15       **(c) An obligation of a political subdivision under a note executed**  
 16       **under this chapter is a valid and binding obligation of the political**  
 17       **subdivision, notwithstanding any tax limitation, debt limitation,**  
 18       **bonding limitation, borrowing limitation, or other statute to the**  
 19       **contrary.**

20       **Sec. 6. If a political subdivision gives notice under section 3 of**  
 21       **this chapter of its determination that money should be borrowed**  
 22       **under this chapter, not less than ten (10) taxpayers in the political**  
 23       **subdivision who disagree with the determination may file a petition**  
 24       **in the office of the county auditor not more than thirty (30) days**  
 25       **after notice of the determination is given. The petition must state**  
 26       **the taxpayers' objections and the reasons why the taxpayers**  
 27       **believe the borrowing to be unnecessary or unwise.**

28       **Sec. 7. (a) Upon receiving a petition under section 6 of this**  
 29       **chapter, the county auditor shall immediately certify a copy of the**  
 30       **petition, together with other data necessary to present the**  
 31       **questions involved, to the department of local government finance.**  
 32       **Upon receipt of the certified petition and other data, the**  
 33       **department of local government finance shall fix a time and place**  
 34       **for a hearing on the matter.**

35       **(b) The hearing shall be held not less than five (5) and not more**  
 36       **than thirty (30) days after the department's receipt of the certified**  
 37       **petition, and shall be held in the county where the petition arose.**

38       **(c) The department of local government finance shall give notice**  
 39       **of the hearing by letter to the township and to the first ten (10)**  
 40       **taxpayer petitioners listed on the petition. A copy of the letter shall**  
 41       **be sent to each of the first ten (10) taxpayer petitioners at the**  
 42       **taxpayer's usual place of residence at least five (5) days before the**

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1 date of the hearing.

2 (d) After the hearing under subsection (c), the department of  
3 local government shall issue a final determination concerning the  
4 petition.

5 Sec. 8. A:

6 (1) taxpayer who signed a petition filed under section 6 of this  
7 chapter; or

8 (2) political subdivision against which a petition is filed under  
9 section 6 of this chapter;

10 may petition the tax court established by IC 33-3-5-1 for judicial  
11 review of the final determination of the department of local  
12 government finance on the taxpayers' petition. The petition for  
13 judicial review must be filed in the tax court not more than  
14 forty-five (45) days after the date of the department's final  
15 determination.

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